

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

September 29, 2021

Napa Cove Apartments, located at 3805 Broadway in American Canyon, requested and is being recommended for a reservation of \$3,433,456 in annual federal tax credits to finance the new construction of 65 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by CRP Affordable Housing and Community Development LLC and will be located in Senate District 3 and Assembly District 4.

Project Number CA-21-183

Project Name Napa Cove Apartments
Site Address: 3805 Broadway
American Canyon, CA 94503 County: Napa
Census Tract: 2010.060

Tax Credit Amounts	Federal/Annual*	State/Total
Requested:	\$3,433,456	\$0
Recommended:	\$3,433,456	\$0

* Consolidated Appropriations Act, 2021 (CAA) Federal Credits

Applicant Information

Applicant: CRP Napa Cove Apartments LP
Contact: Paul Salib
Address: 4455 Morena Boulevard, Suite 107
San Diego, CA 92117
Phone: 212-766-1914
Email: psalib@crpaffordable.com

General Partner(s) / Principal Owner(s): CRP Napa Cove Apartments AGP LLC
Pacific Southwest Community Development Corporation
General Partner Type: Joint Venture
Parent Company(ies): CRP Affordable Housing and Community Dev. LLC
Pacific Southwest Community Development Corporation
Developer: CRP Affordable Housing and Community Dev. LLC
Investor/Consultant: Hunt Capital Partners
Management Agent(s): Cambridge Real Estate Services, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 66
No. & % of Tax Credit Units: 65 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None

Information

Set-Aside: N/A
Housing Type: Large Family
Average Targeted Affordability: 50.00%
Geographic Area: Northern Region
TCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
At or Below 30% AMI:	13	20%
At or Below 40% AMI:	13	20%
At or Below 60% AMI:	39	60%

Unit Mix

16 1-Bedroom Units
32 2-Bedroom Units
18 3-Bedroom Units
66 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
12 1 Bedroom	60%	\$1,279
2 1 Bedroom	40%	\$853
2 1 Bedroom	30%	\$639
18 2 Bedrooms	60%	\$1,536
7 2 Bedrooms	40%	\$1,024
7 2 Bedrooms	30%	\$768
9 3 Bedrooms	60%	\$1,773
4 3 Bedrooms	40%	\$1,182
4 3 Bedrooms	30%	\$886
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,225,000
Construction Costs	\$22,401,596
Rehabilitation Costs	\$0
Construction Contingency	\$1,447,730
Relocation	\$0
Architectural/Engineering	\$1,430,000
Const. Interest, Perm. Financing	\$2,127,911
Legal Fees	\$260,000
Reserves	\$288,173
Other Costs	\$3,065,588
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$36,445,998

Residential

Construction Cost Per Square Foot:	\$353
Per Unit Cost:	\$552,212
True Cash Per Unit Cost*:	\$552,212

Construction Financing

Source	Amount
Citibank	\$29,012,872
Deferred Costs	\$1,528,173
Tax Credit Equity	\$5,904,953

Permanent Financing

Source	Amount
Citibank	\$6,921,232
Tax Credit Equity	\$29,524,766
TOTAL	\$36,445,998

*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,345,775
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$38,149,508
Applicable Rate:	9.00%
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,433,456
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Hunt Capital Partners
Federal Tax Credit Factor:	\$0.85991

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Disaster Credit Tie Breaker Information

First:	No
Second:	No
Third:	\$42,128.29

Significant Information / Additional Conditions

Staff noted a per unit cost of \$552,212. The applicant noted this is due to traditionally higher cost of construction labor and building materials in the northern San Francisco Bay region, exacerbated by supply chain issues and labor shortages directly attributable to the COVID pandemic. Other factors include impact fees, acquisition costs, and the large percentage of smaller two-bedroom units that are proportionately more expensive to build.

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a middle school	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.